

FARM SAFETY NET PROVISIONS AND ENHANCEMENTS IN PROPOSED RECONCILIATION PACKAGES

The following summarizes some of the key agricultural provisions included in the proposed House and Senate Reconciliation Packages. Both proposals include substantial commitment to strengthening the farm safety-net, expanding access to risk management for producers, and increased investment in trade promotion, conservation initiatives, agricultural research, and more. While these provisions represent meaningful updates to current farm policy, they remain subject to change pending final negotiations and passage by both the House and Senate.

The basic structure of the safety net is maintained. Yearly choices by crop and farm between ARC, county or individual, and PLC with certain insurance exclusions, but reference prices for PLC and revenue benchmarks for ARC are enhanced along with crop insurance premium support and other provisions as detailed below.

- REFERENCE PRICES TO REFLECT INCREASED PRODUCTION COSTS STARTING WITH 2025 CROP YEAR
- Both the House and Senate packages increase statutory reference prices for all covered commodities.
 - The House maintains the current formula for effective reference prices – the lesser of 85% of previous 5-year market price Olympic average or 115% of statutory reference price.
 - The Senate increases the effective reference price formula to 88% of previous 5-year market price Olympic average and maintains the 115% restriction.
 - Beginning in 2031, statutory reference prices will increase annually by a factor of 1.005.
 - The effective reference price remains restricted to 115% of the statutory reference price in the House
 - The Senate proposal binds effective reference price to 113% of the statutory reference price.
 - Both packages maintain calculation of PLC payments from the higher of the statutory or effective reference price and statutory reference price also serves as a floor price in ARC trigger price calculations.
 - The Senate provides that producers will receive the higher of ARC or PLC payments for the 2025 crop year.

PLC Data	Current Statutory Reference Price	Increased Statutory Reference Price	Current 2025 Effective Reference Price	House Proposed 2025 Effective Reference Price	Senate Proposed 2025 Effective Reference Price
Barley	\$4.95	\$5.45	\$4.95	*\$5.45	*\$5.45
Corn	\$3.70	\$4.10	\$4.26	*\$4.27	*\$4.42
Dry Peas	\$0.11	\$0.13	\$0.12	*\$0.13	*\$0.13
Grain Sorghum	\$3.95	\$4.40	\$4.51	\$4.51	*\$4.67
Lentils	\$0.20	\$0.24	\$0.23	*\$0.25	*\$0.26
Oats	\$2.40	\$2.65	\$2.76	*\$3.05	*\$3.05
Oilseeds	\$0.18	\$0.21	\$0.19	*\$0.22	*\$0.24
Peanuts	\$0.27	\$0.32	\$0.27	*\$0.32	*\$0.32
Rice	\$0.14	\$0.17	\$0.14	*\$0.17	*\$0.17
Seed Cotton	\$0.37	\$0.42	\$0.37	*\$0.42	*\$0.42
Soybeans	\$8.40	\$10.00	\$9.66	*\$10.34	*\$10.71
Wheat	\$5.50	\$6.35	\$5.56	*\$6.35	*\$6.35
Large Chickpeas	\$0.22	\$0.26	\$0.25	*\$0.27	*\$0.28
Small Chickpeas	\$0.19	\$0.23	\$0.22	*\$0.24	*\$0.25

*indicates effective reference price above current 2025 effective reference price

ARC Data	Current 2025 ARC Benchmark Price*	House Proposed 2025 ARC Benchmark Price*	Senate Proposed 2025 ARC Benchmark Price*	Current Average Maximum Payment Rate	House Proposed Average Maximum Payment Rate	Senate Proposed Average Maximum Payment Rate
Barley	\$5.88	\$6.10	\$6.10	\$36.30	\$47.02	\$45.14
Corn	\$5.03	\$5.03	\$5.03	\$80.67	\$100.84	\$96.81
Dry Peas	\$0.14	\$0.15	\$0.15	\$15.54	\$33.02	\$31.70
Grain Sorghum	\$5.30	\$5.30	\$5.30	\$36.98	\$46.22	\$44.37
Lentils	\$0.31	\$0.32	\$0.32	\$36.44	\$46.54	\$45.09
Oats	\$3.76	\$3.84	\$3.84	\$23.17	\$29.54	\$28.36
Oilseeds	\$0.24	\$0.25	\$0.25	\$24.33	\$38.66	\$36.60
Peanuts	\$0.27	\$0.32	\$0.32	\$103.74	\$152.42	\$146.32
Rice	\$0.15	\$0.17	\$0.17	\$104.17	\$148.67	\$142.72
Seed Cotton	\$0.41	\$0.43	\$0.43	\$83.09	\$110.54	\$106.12
Soybeans	\$12.17	\$12.17	\$12.17	\$57.95	\$72.44	\$69.54
Wheat	\$6.72	\$6.98	\$6.98	\$38.72	\$50.29	\$48.27
Large Chickpeas	\$0.32	\$0.33	\$0.33	\$46.78	\$59.83	\$57.99
Small Chickpeas	\$0.29	\$0.30	\$0.30	\$42.82	\$55.07	\$53.37

ARC ENHANCEMENTS STARTING IN 2025 CROP YEAR

- Increases ARC-CO and ARC-IC guarantee from 86% to 90% of the benchmark revenue.
 - The House increases maximum payment rate from 10% to 12.5%.
 - The Senate increases maximum payment rate from 10% to 12%.
- Both reconciliation packages authorize enhancements for crop years 2025 through 2031 and maintain annual PLC and ARC election.
 - The House maintains restriction on ARC and SCO interaction
 - Under the Senate amendments, producers choosing ARC may purchase SCO.
 - Both the House and Senate maintain ability for producers to purchase ECO, which received enhanced premium support beginning in 2025.
- Restriction between PLC and ARC election and STAX remains, however cotton producers who choose PLC may still purchase enhanced SCO or ECO.

County Crop	Benchmark Yield	ARC Benchmark Revenue	Current ARC Guarantee 86%	Current ARC Guarantee 90%	Current ARC Maz Payment Rate 10%	House ARC Max Payment Rate 12.5%	Senate ARC Max Payment 12%
Jackson County, IA Corn	212.12	\$1,067.01	\$917.63	\$960.31	\$106.70	\$133.38	\$128.04
Richland County, ND Wheat	59.19	\$397.76	\$342.07	\$357.98	\$39.78	\$49.72	\$47.73

ENHANCED LOAN AND PROGRAM PROVISIONS IN BOTH HOUSE AND SENATE RECONCILIATION PACKAGES

- Increases marketing assistance loans for loan commodities beginning with the 2026 crop year through the 2031 crop year and maintains other functions such as LDPs in place.
- Specifies payment of storage costs and competitiveness provisions for upland and ELS cotton and economic adjustment assistance for textiles.
- Increases loan rates for sugarcane and sugar beets beginning with the 2025 crop year through the 2031 crop year.
- Provides updates to Dairy Margin Coverage and extends provisions through 2031.
- Increases livestock indemnity payments for loss due to predation from 75% of market value to 100% of market value and maintains payment rate for loss due to disease and adverse weather.
- Updates the drought eligibility requirements for the Livestock Forage Disaster Program by reducing the threshold from at least 8 consecutive weeks of D2-level drought to 4 consecutive weeks during the normal grazing period to qualify for one monthly payment or any 7 of the 8 weeks to qualify for two monthly payments.

BASE ACRE & PAYMENT LIMIT EXPANSIONS TO AID PRODUCERS & REGIONS IN BOTH HOUSE AND SENATE RECONCILIATION PACKAGES:

- Provides opportunity to establish additional base acres using the 5-year average sum of acerage planted. (note: non-program rotational field crops such as dry beans, potatoes, or alfalfa, etc. will count as “planted acres” for establishing base for program crops.)
- Increases individual payment limits from \$125,000 to \$155,000, with an inflation factor based on the Consumer Price Index beginning in 2025.
- Treats all pass-through entities, such as S-Corps, LLCs, etc. the same as joint ventures and general partnerships for pay limit purposes.
- Provides an exception to the \$900,000 AGI means test for current disaster programs (for livestock etc.), NAP, and conservation programs if 75% or more of average gross income is derived from farming, ranching, or silviculture activities.

Commodity	Current Marketing Loan Price	Proposed Marketing Loan Price
Wheat	\$3.38	\$3.72
Corn	\$2.20	\$2.42
Grain Sorghum	\$2.20	\$2.42
Barley	\$2.50	\$2.57
Oats	\$2.00	\$2.20
Upland Cotton	\$0.49	\$0.55
ESL Cotton	\$0.95	\$1.00
Rice	\$7.00	\$7.70
Soybeans	\$6.20	\$6.82
Other Oilseed	\$10.09	\$11.10
Dry Peas	\$6.15	\$6.87
Lentils	\$13.00	\$14.30
Large Chickpeas	\$14.00	\$15.40
Small Chickpeas	\$10.00	\$11.00
Peanuts	\$355.00	\$390.00

CROP INSURANCE IMPROVEMENTS FOR IMPROVED PRODUCER ACCESS TO RISK MANAGEMENT IN BOTH HOUSE AND SENATE RECONCILIATION PACKAGES

- Improves producer access to crop insurance through enhanced premium support for Basic and Optional Units.
- Provides area wide coverage up to 90% for individual yield or revenue coverage aggregated across multiple commodities.
- Increases Supplemental Coverage Option (SCO) premium support from 65% to 80%.
- Enhances coverage level availability for Whole Farm Revenue Protection and similar Crop and Livestock Income Protection to 90%.
- Extends Beginning Farmer and Rancher benefits from 5 years to 10 years, with enhanced premium support starting at 15% in the first year and gradually decreasing annually to reach 10% by year five, remaining at 10% through year ten.
- Provides a 6% reimbursement to Approved Insurance Providers (AIP) in states which have a loss ratio greater than 120%.
- Indexes all Administrative and Operating (A&O) for inflation consistent with A&O inflation adjustment for 2011-2015 and provides equitable relief for specialty crops with minimum reimbursement.
- Invests \$10 million annually in program integrity and compliance beginning in 2026.
- Establishes a Poultry Insurance Pilot Program for poultry growers to receive index-based insurance against extreme weather events resulting in increased utility costs. This pilot is available for producers in AL, AR, and MS beginning in 2027.

RP/YP	BU/OU	Coverage Level	50	55	60	65	70	75	80	85
		Current Premium Support	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
		Proposed Premium Support	0.67	0.69	0.69	0.64	0.64	0.6	0.51	0.41
	EU	Coverage Level	50	55	60	65	70	75	80	85
		Premium Support	0.80	0.80	0.80	0.80	0.80	0.77*	0.68*	0.53*

*Subsequent increase for EU is anticipated, subject to limit of 80%

INVESTMENTS IN WORKING LAND CONSERVATION PROGRAMS IN BOTH HOUSE AND SENATE RECONCILIATION PACKAGES

- Increases funding for the Agricultural Conservation Easement Program from \$450 million to \$625 million in 2026, rising to \$700 million in 2031.
- Increases funding for the Environmental Quality Incentives Program from \$2.025 billion to \$2.65 billion in 2026, rising to \$3.25 billion in 2031.
- Provides \$1.3 billion for the Conservation Stewardship Program in 2026, rising to \$1.37 billion in 2031 - a 29% increase to the baseline.
- Increases funding for the Rural Conservation Partnership Program from \$300 million to \$425 million in 2026 and \$450 million in 2027 through 2031
- Provides increased funding to carry out the Grassroots Source Water Protection Program and the Voluntary Public Access and Habitat Incentive Program.

KEY INVESTMENTS IN TRADE, RESEARCH, AND RURAL DEVELOPMENT

- The House reconciliation package doubles funding for the Market Access Program and Foreign Market Development Program. In total, funds increase from \$234 million to \$469 million.
- The Senate reconciliation package enhances investments in agricultural trade programs by creating an additional supplemental agricultural trade program authorized at \$285 million beginning in 2027. This would function alongside existing programs such as MAP and FMD.
- Both the House and Senate Reconciliation Packages provide:
 - \$37 million for the Foundation for Food and Agriculture Research
 - Increased funding for Agriculture Research Facilities to \$125 million beginning in 2026.
 - Increased funding for the Specialty Crop Research Initiative from \$80 million to \$175 million.